

**COMMONWEALTH OF MASSACHUSETTS
BEFORE THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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Investigation by the Department of)	
Telecommunications and Energy on its)	D.T.E. 01-54
own motion into Competitive Market)	(Phase II)
Initiatives.)	
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**INITIAL COMMENTS OF
WESTERN MASSACHUSETTS ELECTRIC COMPANY**

On November 14, 2001 the Department of Telecommunications and Energy ("Department") held a technical session regarding issues to be addressed in Phase II of the above-captioned proceeding. Representatives of Western Massachusetts Electric Company ("WMECO" or the "Company") attended and participated in this technical session.

On December 11, 2001 the Department issued a memorandum requesting comments on the following issues:

- A.?The role of distribution companies as an electricity broker,
- B.?Customer enrollment,
- C.?Customer information list, and
- D.?Other issues.

WMECO respectfully submits the following comments in the order set out by the Department above.

A. The Role of Distribution Companies as an Electricity Broker

1. Should electric distribution companies perform the role of electricity brokers for their default service customers?

Distribution companies should not be required to act as an electricity broker for their default service customers or any customer of the Company other than fulfilling the legislatively-mandated requirement to procure Default Service or Standard Offer Service. It is impractical and unreasonable for the distribution companies to maintain a knowledge-base of the applicability, pricing and packaging of all generation services for all brokers and suppliers doing business in the Commonwealth.

Also, a primary goal of electric industry restructuring is to create a market in which customers interact directly with competitive suppliers and brokers. Restructuring should not mean requiring a regulated entity to perform competitive customer services. In addition to the inappropriateness of such a proposal under restructuring, the success of competitive suppliers rest in large measure with their ability to cultivate, encourage and manage relationships directly with customers. Using distribution companies to perform these competitive-market tasks is antithetical to the desired result.

Further, whether the role of electricity broker is performed via the Internet, postcard or phone call, this proposal unfairly places the significant

cost of consumer education, enrollment logistics, and implementation entirely on the distribution company. It is inappropriate as a public policy matter to place these costs on the electric distribution company.

B. Customer Enrollment

1. Should customer account numbers be included on the Customer Information Lists?

Customer account numbers should not be included on Customer Information Lists (“Lists”) provided to suppliers/brokers because requiring suppliers to obtain this information directly from customers provides a crucial safeguard against slamming. Lists are created through an opt-out process. Customers who do not read bill inserts or pay attention to the changes in the marketplace may have their information disseminated without their knowledge.

2. Should the first four characters of a customer’s account name continue to be required for a successful enrollment of the customer?

The first four characters of a customer’s account name should no longer be a requirement for a successful enrollment. The Lists will provide this information on all customers.

C. Customer Information Lists

1. Should the Customer Information Lists be expanded to include information about customer delivery points?

The answer to this question depends on the definition of Customer Delivery Point (“CDP”). If a CDP is a primary metered account, then the Lists can be expanded to include a binary flag to indicate whether primary metering is present on the account. If CDP is defined in some other manner, WMECO cannot comment until the definition has been clarified.

2. Should the Customer Information Lists be expanded to include information about customers who receive generation service from competitive suppliers?

The Lists should include information about all customers, including those receiving competitive supply, unless the customer has opted-out. Excluding a customer from the Lists because they have competitive supply is discriminatory and denies that customer the opportunity to learn of other offers that may be of greater benefit.

D. Other Issues

1. Should distribution companies use the Internet for the transmission of customer data between the companies and competitive suppliers?

WMECO recommends the Department assign this issue to the Electronic Business Transaction Working Group for consideration of design and implementation. The Working Group consists of the parties dealing directly with this issue on a daily basis and would be the appropriate group to work out the logistics of Internet transmission most effectively.

In summary, WMECO is supportive of competition and it understands that portions of the competitive market have not developed as quickly as some had hoped. But the response, if one is necessary at this point, should be based on a carefully considered analysis of all the factors and should not be to load competitive market functions and costs onto regulated entities. As many commentators in this and other Department proceedings have stated, placing the distribution company in the middle of what should be a market relationship between the supplier/broker and the customer is very much the wrong way to proceed.

WMECO appreciates the opportunity to submit these comments.